

Remarks at Georgetown University
February 9, 1998

Thank you very much. A special thanks to those of you who had to wait all night to get in. *[Laughter]* Hope you won't be disappointed. *[Laughter]*

Mr. Vice President, Father O'Donovan, to all the groups here who are concerned with Social Security, especially to Congressman Penny and the Concord Coalition, and John Rother and the AARP, I thank you all for being here.

I thank Senator Bob Kerrey, who when he cast the decisive vote for our budget in 1993 said that he would do so only if I were also committed to dealing with the long-term structural problems of Social Security, to heal the deficit there as well. I thank Gene Sperling and the members of my staff who've worked with us on this. And thank you, Mannone Butler, for embodying what this struggle is all about. Weren't you proud of her? She did a great job, I think. *[Applause]* Thank you very much.

When I first ran for President 6½ years ago now, I came to this hall to set out my vision for 21st century America and a strategy for achieving it. Often in the years since, I have come back here to discuss our Nation's most demanding challenges. And on many occasions, but none more relevant than today, I have recalled the assertion of my freshman professor in the history of civilization course, Carroll Quigley, that the distinguishing characteristic of Western civilization in general and the United States of America in particular is what he called, "future preference": the idea that the future can be better than the present or the past; that each of us has a personal, moral responsibility to work to make it so, to plan for it, to work for it, to invest for it.

There is no better example of that principle for the strength of America than the opportunity and the duty all of us as Americans have now to save Social Security for the 21st century. So today I return to discuss what we have to do to achieve that and why it is so important.

You know, there was a recent poll which said that young people in the generation of the students here felt it was far more likely

that they would see a UFO than that they would draw Social Security. *[Laughter]* And others may think that it's a long way off, as Mannone said, and the Vice President said he thought it was a long way off.

A couple of days ago I went to New Mexico to visit our national labs; you may have seen the story. And our national labs at Los Alamos and Sandia and Lawrence Livermore, where we do a lot of the research that not only helps us to preserve the security of our smaller and smaller nuclear arsenal but helps us to deal with our environmental questions and a lot of other fascinating challenges of the future—but anyway—after I finished this, I had lunch with a few of my friends, including a man that I went to Georgetown with. And at the end of the lunch, he whipped out this photo and gave it to me, and we were sitting in a park together, about a week after I graduated in 1968. And I looked at that photo, and I said, "My goodness, where did all the time go? It seems like it was yesterday to me."

I say that to make this point: It may seem a long way away from the time you now—where you are until you need retirement. It may seem a long way away before most of your parents need retirement, but it isn't. And great societies plan over long periods of time so that individual lives can flower and take root and take form. And that is what we have to do today.

Social Security is a lot more than a line in the budget. It reflects some of our deepest values, the duties we owe to our parents, the duties we owe to each other when we're differently situated in life, the duties we owe to our children and our grandchildren. Indeed, it reflects our determination to move forward across the generations and across the income divides in our country, as one America.

Social Security has been there for America's parents in the 20th century, and I am determined that we will have that kind of security for the American people in the 21st century. We are entering this new millennium, the new century, with restored confidence; the information age, a growing global economy, they're changing the way we live and work. And the scope and pace of change, well, it may seem commonplace to those of

you who have grown up with it, but to people my age it is still truly astonishing. And I can tell you, it is without historical precedent.

For a long time, our country failed to come to grips with those changes, and we paid the price in a stagnant economy and increasing inequality among our working families, in higher child poverty, in record welfare rolls, higher crime rates, other deepening social problems. Before the present era, we had only run budget deficits, and the deficit, I think, came to symbolize what was amiss with the way we were dealing with the changes in the world. We had only run budget deficits for sound economic reasons, either because there was some overwhelming need to invest or because there was a recession that required stimulation of the economy or because there was a national emergency like war. The idea that we would just simply have a structural deficit and run one year-in and year-out was unheard of. But that is exactly what has happened throughout your lifetime.

And it got so bad in the 1980's that between 1981 and 1992 the total debt of the country was quadrupled—quadrupled—in a 12-year period, over and above the previous 200 years. That raised interest rates. It took more and more tax money away from investments in education, for example, or the environment to pay interest on the debt. It slowed economic growth, and it definitely compromised your future.

Five years ago I determined that we had to set a different course, to move past the debate that was then paralyzing Washington and, frankly, didn't have much to do with the real world, between those who said Government was the enemy, those who said Government was the solution, and as long as you can fight about something, then you don't have to get down to the nitty-gritty of dealing with the real problems.

When the British Prime Minister was here last week, Tony Blair, we stressed that we both think, and many other leaders increasingly around the world are beginning to think, that this debate is fruitless and that there has to be a third way, that 21st century government, information age government, must be smaller, must be less bureaucratic, must be fiscally disciplined and focus on being a catalyst for new ideas and giving you

and all other Americans the tools they need to make the most of their own lives.

For 5 years we have reduced the size of the deficit, reduced the size of Government, dramatically reduced the budget deficit by over 90 percent, but continued to invest in your future. And in very dramatic ways that's changed the experience of going to college.

Student loans that are guaranteed by the Government have been made less expensive and easier to repay. There are hundreds of thousands of more Pell grant scholarships, 300,000 more work-study slots. AmeriCorps has allowed 100,000 young people to earn money for college while serving in their community. There are now tax-free IRA accounts for college education. Last year we enacted the HOPE scholarship, which is a \$1,500 tax credit for the first 2 years of college. And then there's a lifetime learning tax credit for junior and senior years, for graduate schools, and for adults who have to go back for further training. For the first time in history, while reducing the deficit by 90 percent, we can honestly say, "If you're willing to work for it, whatever your circumstances, you can go on to college in the United States," and that is a very important achievement.

Now, all of these things have worked together to give us the strongest economy in a generation, almost 15 million new jobs, the lowest unemployment rate in 24 years, the lowest inflation rate in 30 years, the highest homeownership in history, average incomes rising again. I've submitted to Congress for 1999 the first balanced budget in 30 years. All that is a remarkable achievement, but as I said, we have to be thinking about the future. And all of you know to a greater or lesser degree of specificity, every one of you know that the Social Security system is not sound for the long term, so that all of these achievements, the economic achievements, our increasing social coherence and cohesion, our increasing efforts to reduce poverty among our youngest children, all of them are threatened by the looming fiscal crisis in Social Security.

Today I want to talk about what it is and how we propose to deal with it. And as the Vice President said, we should use the economic good times. That old saying that you don't wait for a rainy day to fix the roof is

good for us today; it's very sunny outside. And on this sunny day, we should deal with Social Security.

In very specific terms, we've got a great opportunity because it is projected that if we stay with the present budget plan, that taking account of the fact that we won't always have the greatest economic times as we've had now—there will be times when the economy will grow faster, times when it will grow slower, we may have recessions—but structurally, we have eliminated the deficit, so that over time we should have a balanced budget, and over time, most times we should be running a surplus now if we stay with the discipline we have now over the next couple of decades.

Now, if that's so, it is now estimated that with normal ups and downs in economic growth, over the next 10 years, after 30 years of deficits, that the United States will have a budget surplus of somewhere in the range of a trillion dollars in the aggregate over the next 10 years. I have said before we spend a penny of that on new programs or tax cuts, we should save Social Security first. I think it should be the driving principle of this year's work in the United States Congress: Do not have a tax cut; do not have a spending program that deals with that surplus; save Social Security first.

That is our obligation to you and, frankly, to ourselves. And let me explain that. This fiscal crisis in Social Security affects every generation. We now know that the Social Security Trust Fund is fine for another few decades. But if it gets in trouble and we don't deal with it, then it not only affects the generation of the baby boomers and whether they'll have enough to live on when they retire, it raises the question of whether they will have enough to live on by unfairly burdening their children and, therefore, unfairly burdening their children's ability to raise their grandchildren. That would be unconscionable, especially since, if you move now, we can do less and have a bigger impact, especially since we now have the budget surplus.

Let me back up just a minute, mostly for the benefit of the young people in the audience, to talk a little bit about the importance of this effort. It's hard for even people in my generation to understand this, much less

yours, but early in this century, to be old meant to be poor—to be old meant to be poor. The vast majority of people over 65 in America early in this century were living in poverty. Their reward for a lifetime of work, for doing right by their children, for helping with their grandchildren, unless their kids could take care of them, was living in poverty.

If you ever have a chance, you ought to read some of the books that have the thousands of letters that older people sent to President Roosevelt, begging him, in the words of one typical letter writer, to eliminate, and I quote, "the stark terror of penniless, helpless old age." That's what prompted President Roosevelt to launch the Social Security system in 1935, to create what he called the cornerstone of a civilized society.

Now, for more than half a century Social Security has been a dramatic success. If you just look at the first chart over here on the right, you will see that in 1959—I don't see as well as I once did—[laughter]—the poverty rate among seniors was still 35 percent. As recently as 1959, still over a third of seniors lived in poverty. By 1979, it had dropped to 15.2 percent. By 1996, it had dropped to 10.8 percent.

To give you an idea of the profound success of the program over the last 30 years—as you know, there have been increasing number of children being raised in single-parent households, where the incomes are not so high—the child poverty rate in America is almost twice that. But no one can begrudge that. So the first thing we need to say is, Social Security has succeeded in ending the stark terror of a penniless old age. And that is a terrific achievement for the American society.

Now, it's also known, however, that the changes that are underway today will place great stresses on the Social Security safety net. The baby boomers are getting gray. When my generation retires—and I'm the oldest of the baby boomers; I was born in 1946, so I'm 51—and the generation is normally held to run for the 18 years after that, that's normally what people mean when they talk about the baby boomers—it will dramatically change the ratio of workers to earners, aggravated by increasing early retirements

and other things, offset by gradual increase in the Social Security retirement age enacted back in 1983. So if you look at that, that's the second chart here.

In 1960, there were 5.1 Americans working for every one person drawing Social Security. In 1997, there's still 3.3 people working for every one person drawing Social Security. In 2030, the year after the Social Security Trust Fund supposedly will go broke unless we change something, at present projected retirement rates—that is, the presently projected retirement age and same rates—there will be two people working for every one person drawing Social Security.

Now, if you look at that plus the present investment patterns of the funds of which are designed to secure 100 percent security and, therefore, get a somewhat lower return in return for 100 percent security for the investments, that's what will cause the problem. So if you look at the presently projected retirement and the presently projected returns, that will cause the problem.

It's very important you understand this. Once you understand this, you realize this is not an episode from the "X Files," and you're not more likely to see a UFO if you do certain specific things. On the other hand, if you don't do anything, one of two things will happen: Either it will go broke, and you won't ever get it; or if we wait too long to fix it, the burden on society of taking care of our generation's Social Security obligations will lower your income and lower your ability to take care of your children to a degree most of us who are your parents think would be horribly wrong and unfair to you and unfair to the future prospects of the United States.

So what's the bottom line? You can see it. Today, we're actually taking in a lot more money from Social Security taxes enacted in 1983 than we're spending out. Because we've run deficits, none of that money has been saved for Social Security. Now, if you look at this little chart here, from 1999 forward we'll be able to save that money or a lot of it, anyway. We'll be able to save a lot of it that will go into pure surplus in the budget. It can be invested. But other things will have to be done, as well. That will not be enough.

And if nothing is done by 2029, there will be a deficit in the Social Security Trust Fund, which will either require, if you just wait until then, a huge tax increase in the payroll tax or just about a 25 percent cut in Social Security benefits. And let me say today, Social Security—I want to put that in, too, because I want you all to start thinking about this—Social Security was conceived as giving a floor for life. It is not enough to sustain the standard of living of almost any retiree retiring today.

So you also will have to make provisions for your own retirement savings, and you should start early when you go out and go to work, with a 401(k) plan or whatever. But this is what is going to happen unless we change. If we change now, we can make a big difference.

I should also point out that Social Security also goes to the spouses of people when they're widowed. Social Security also goes to the disabled. There's a Social Security disability program. Cassandra Wilkins, who's here with us, who the Vice President recognized, ran the Social Security disability program for me when I was Governor. It's a very important program. But all of these things should be seen in terms of these economic realities.

Now, again I say, if we act soon, less is more. If we can develop a consensus as a country to act soon, we can take relatively modest steps in any number of directions to run this 2029 number well out into the future in ways that will keep Social Security's role in providing some retirement security to people without unfairly burdening your generation and your ability to raise your children to do that. And I can tell you, I have had countless talks with baby boomers of all income groups, and I haven't found a single person in my generation who is not absolutely determined to fix this in a way that does not unfairly burden your generation. But we have to start now.

We have to join together and face the facts. We have to rise above partisanship, just the way we did when we forged the historic balanced budget agreement. This is—as you can well see, this is reducible to stark mathematical terms. This need not become a partisan debate. Oh, there ought to be a debate,

a good debate on what the best way to invest the funds are; there ought to be a good debate on what the best trade-offs are between the changes that will have to be made. But it ought to be done with a view toward making America stronger and, again, preserving the ties that bind us across the generations.

I have asked the American Association of Retired Persons, the AARP, a leading voice for older Americans, and the Concord Coalition, a leading voice for fiscal discipline, to organize a series of four nonpartisan regional forums this year. The Vice President and I will participate. I hope the Republican and Democratic leadership will also participate. I was encouraged that Speaker Gingrich said the other day that he felt we should save the surplus until we had fixed the Social Security first.

The first forum, which will set out before the American people the full nature of the problem—essentially, what I'm doing with you today with a few more details—will be in Kansas City on April 7th. Then in subsequent ones we will hear from a variety of experts and average citizens across all ages. It is very important to me that this debate involve young people—very important—because you have a huge stake in it, and you need to imagine where you will be and what kind of investment patterns you think are fair for you and how you think this is going to play out over the next 20, 30, 40 years. We want people of all ages involved in this.

This national call also will spread to every corner of the country, to every Member of Congress. There are other private groups which have to play a role. The Pew Charitable Trust has launched a vital public information campaign, Americans Discuss Social Security. On March 21st, I will help kick off the first of many of their town hall meetings and teleconferences.

Now, when we go out across the country and share the information and get people's ideas, then, at the end of the year in December, I will convene a historic White House Conference on Social Security. And then, in a year, I will call together the Republican and Democratic leaders of the House and Senate to begin drafting comprehensive, bipartisan landmark legislation to save the Social Security system.

This national effort will require the best of our people, and I think it will get the best of our people. It will ask us to plan for the future. It will ask us to be open to new ideas, not to be hidebound and believe that we can see the future through the prism of the past, but it will ask us to hold on to the old values that lifted our senior citizens from the burden of abject poverty to the dignity of a deserved good, solid old age.

Keep in mind, most of you who are sitting out here can look forward to a life expectancy well into your eighties. Most of you, by the time you get to be my age, if you live to be my age, your life expectancy will probably be by then 90 or more. We're going to have to rethink this whole thing. But we have to do it with a view towards preserving the principles and the integrity of our society, binding us together across the generations and across the income divides.

We can do this. President Roosevelt often called us to the spirit of bold, persistent experimentation. We will have to do that. But he also reminded us that our greatest challenges we can only meet as one Nation. And we must remember that. With our increasing diversity, in the way we work and live, in our racial and ethnic and other backgrounds, religious backgrounds, we still have to be, when it comes to treating people with dignity, in fulfilling our obligations to one another, one Nation.

Acting today for the future is in some ways the oldest of American traditions. It's what Thomas Jefferson did when he purchased the Louisiana Territory and sent Lewis and Clark on their famous expedition. It's what Abraham Lincoln did when, at the height of the Civil War, he and the Congress took the time to establish a system of land grant colleges, which revolutionized the future of America. It's what we Americans did when, in the depths of the Depression, when people were only concerned about the moment, and 25 percent of the American people were out of work, our Congress and our President still took the time to establish a Social Security system, that could only take flower and have full impact long after they were gone.

That is what we do when we do best, what Professor Quigley called "future preference."

What I prefer is a future in which my generation can retire, those who are not as fortunate as me can retire in dignity, but we can do it in a way that does not burden you and your ability to raise our grandchildren, because I believe the best days of this country lie ahead of us if we fulfill our responsibilities today for tomorrow.

Thank you very much.

NOTE: The President spoke at 10:53 a.m. in Gaston Hall. In his remarks, he referred to Father Leo J. O'Donovan, president, Georgetown University; former Congressman Timothy J. Penny, board member, Concord Coalition; John Rother, director of legislation and public policy, American Association of Retired Persons (AARP); and Mannone Butler, Georgetown Law School student, who introduced the President. A portion of these remarks could not be verified because the tape was incomplete.

**Executive Order 13074—
Amendment to Executive Order
12656**

February 9, 1998

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to reflect the appropriate allocation of funding responsibilities for Noncombatant Evacuation Operations, it is hereby ordered that Executive Order 12656 is amended by adding a new section 501(16) to read as follows:

“Subject to the direction of the President, and pursuant to procedures to be developed jointly by the Secretary of Defense and the Secretary of State, be responsible for the deployment and use of military forces for the protection of United States citizens and nationals and, in connection therewith, designated other persons or categories of persons, in support of their evacuation from threatened areas overseas.”

William J. Clinton

The White House,
February 9, 1998

[Filed with the Office of the Federal Register, 11:45 a.m., February 11, 1998]

NOTE: This Executive order was published in the *Federal Register* on February 12.

**Memorandum on the Korean
Peninsula Energy Development
Organization**

February 9, 1998

Presidential Determination No. 98–14

Memorandum for the Secretary of State

Subject: U.S. Contribution to the Korean Peninsula Energy Development Organization (KEDO)

Pursuant to the requirements set forth under the heading “Nonproliferation, Anti-Terrorism, Demining and Related Programs” in title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998 (Public Law 105–118), I certify that:

(1)(A) the parties to the Agreed Framework are taking steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula and the implementation of the North-South dialogue, and (B) North Korea is complying with the other provisions of the Agreed Framework between North Korea and the United States and with the Confidential Minute;

(2) North Korea is cooperating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors and that such canning and safe storage is scheduled to be completed by April 1, 1998; and

(3) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended.

You are authorized and directed to report this determination to the Congress and to publish it in the *Federal Register*.

William J. Clinton

NOTE: This memorandum was released by the Office of the Press Secretary on February 10.